

SIPDIS

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SUBJECT: SARKOZY'S PRIORITIES FOR ENVIRONMENT AND ENERGY DURING  
FRENCH EU PRESIDENCY

REF: Paris 1314

11. (U) Summary: France has made energy and climate change the top priority for its EU Presidency. The EU Work Program, recent actions by the European Parliament, and the meetings of Environment and Energy Ministers from the 27 member countries shed further light on the French Presidency's objectives as well as the EU climate and energy package to be completed by the end of 2008. End Summary.

12. (U) The GOF has outlined four priorities for its EU Presidency: energy and climate; migration issues; agriculture; and security and defense, with energy and climate at the forefront. The French EU Presidency is committed to finalizing a climate/energy package that will constitute a basis for an ambitious EU policy to combat climate change and transition to a low carbon economy. Its goal is to complete the package by the end of the year. The EU supports a global agreement on greenhouse gas emissions that would reduce emissions by 30 percent below 1990 levels in order to stabilize global warming at 2 degrees celsius above preindustrial levels.

13. (U) The European Union agreed in March 2007 to three key objectives: reduce greenhouse gas emissions by at least 20 percent by 2020, and by 30 percent if other major emitters are bound by an international agreement; increase the renewable energy sources of EU energy consumption to 20 percent by 2020; and improve energy efficiency by 20 percent by 2020. The French Presidency is working to implement this 20/20/20 proposal.

14. (U) On July 3-5, the First Council of Environmental Ministers met in St. Cloud where MEEDDAT French Minister Borloo announced that he will do everything he can to obtain an international agreement in Copenhagen to reduce GHG emissions by 30 percent. The Ministers clarified that the previously established EU goal in January of 2007 to increase biofuels in transport to 10 percent by 2020 has been misinterpreted and that it, in fact, applies to all renewable energies and is not limited to biofuels. This, combined with the European Parliament Environment Committee's vote on July 7 to scale down the proposed EU-wide biofuels target for 2020 to 4 percent by 2015, reflects a reexamination of EU biofuels policy in light of increasing EU concern that biofuels may result in rising food prices, water shortages and deforestation. (Comment: These changes could affect the level of investment and research by companies seeking out alternative biofuels.)

15. (U) The Ministers discussed revisions to the EU's Emissions Trading Scheme (EU-ETS), including allocation of carbon emissions and the inclusion of additional industries such as aviation and aluminum. All the member states agreed that solidarity and flexibility were desirable but there was no agreement on which approach should be taken. Divergent views emerged on the threshold reference year for measuring carbon emissions reductions. Discussions also focused on how manufactured products from non-EU countries would be treated. (Note: On July 9, the EU Parliament voted in favor of including aviation emissions in the EU-ETS). Additional reporting can be found in Reftel.

¶16. (U) Additionally, the French Presidency seeks to enhance EU energy security by enhancing efficiency, increasing security of supply, and decreasing external energy dependence while promoting European economic competitiveness. The EU plans to enhance its energy efficiency in various areas such as standby electrical appliances, energy saving light bulbs and energy efficient buildings. The EU also plans to diversify its sources of energy and enhance international energy partnerships with major energy producing, transiting, and consuming countries. More details on these plans are expected from the Commission in the fall of 2008.

¶17. (U) Next steps. France hopes to obtain member agreement on the energy/climate package by December 2008 with final adoption of the needed directives by Spring of 2009, well before the Copenhagen Climate Change Conference.

¶18. (U) Comment: The EU Ministers of Environment and Energy made considerable progress and the French EU Presidency achieved broad support on its goals to combat climate change. Although there has been considerable consensus on broad principles, substantial work remains to be done to obtain consensus from all 27 EU member countries on the final climate/energy package and the details for implementation of the 20/20/20 goals.

STAPLETON